USDA Foreign Agricultural Service
GAIN Report
Global Agriculture Information Network
Template Version 2.09

Required Report - public distribution

Date: 4/6/2004

GAIN Report Number: AG4001

Algeria

Grain and Feed

Wheat and Barley

2004

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Report Highlights:
Crops throughout the country have been able to make a good start, and if good conditions continue, the 2004 crop harvest could be very good. This high production, plus high world market prices of wheat, has affected imports in MY 2003 and will likely do so in MY 2004 as well.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
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Executive Summary

Production

For this year, crops throughout the country have been able to make a good start. Early plant development has progressed well. Should good conditions continue, the 2004 crop harvest could be very good and may even exceed 3 MMT all grains included as this year's crop, which is the highest since 1996.

A good rainfall and the application of the Agricultural Development Plan (PNDA) generated this positive effect on production. As reported previously, the Ministry of Agriculture initiated the PNDA in 2000 to better manage occasions of drought and launch the sector again after a long stagnation. This program represents an ambitious plan of farmland conversion. Grains production is focused in the most productive regions (eastern and central plains) with rainfall between 450 - 800 mm.

Consumption

Consumption is expected to remain relatively stable, with only a slight decrease should the fixed bread price be raised. The current high world market prices of wheat have put the state-owned office of cereals (OAIC, which regulates the market, and still accounts for 70 percent of wheat imports) in a very difficult spot. High wheat prices have forced millers to increase flour and semolina sales prices. This is causing bakers to threaten to strike, because bread prices are still fixed by the GOA and haven't changed since 1996, despite the price increases in water, electricity and gas, as well as flour. Barley consumption is increasing due to growth in the livestock sector, as imports of live animals have opened up again, and due to replacement of wheat used for feeding.

Trade

Since privatization in the wheat sector in 1998, 250 private flourmills have begun operations. Despite this increased demand, high local production and high world wheat prices are discouraging imports of wheat in MY 2003. With another good crop expected this year, imports are expected decline again in MY 2004. Imports from the U.S., however, should remain relatively constant, thanks at least in part to usage of GSM-102.

Table 1- Durum Wheat Imports in 1000 MT:

ORIGIN	MY 2002 Jul-Jun	MY 2003 Jul-Jun	Calendar Year 2003
Germany	-	50	50
Canada	455	255	710
Spain	191	114	305
U.S.	**-**	**164**	**164**
Russia	25	25	51
France	342	211	553
Greece	11	21	32
Iraq	37		37
Italy	65	110	175
Mexico	26	486	512
Syria	231	155	386
South Africa	-	4	3
Total	**1,383**	**1,595**	**2,978**

Barley imports, which are exclusively, imported from Europe and Eastern Europe because of the proximity and low freight costs, decreased in MY 2003 as of higher local production as well as international high prices.

Because of the good crop this year and availability of stocks, the GOA announced a decrease in imports of grains for 2004.
Imports of corn decreased in 2002 and 2003 due to good crops and availability of pasture from one side and the increase of the world market price in the other side. The National Office for Livestock Feed (ONAB) has decreased its imports because of competition with the private sector**.** Some feed manufacturers and importers have expressed their interest in the Facility Guarantee Program (introduced for Algeria for FY 2004, at a level of $10 million) to finance some investments in the animal feed manufacture and storage facilities.

Table 2- Corn imports in 1000 MT:

	MY 2001 Oct-Sept	**MY 2002 Oct-Sep**
Argentina	227	425
U.S.	1385	978
Hungary	105	20
Brazil	-	77
France	14	7
Romania	14	20
Ukraine	-	45
Others	14	88
TOTAL	**1,759**	**1,660**

Stocks

Policy

Marketing
Since USDA reintroduced GSM-102 into Algeria in FY 2000, after a hiatus of 4 years, the program has succeeded in expanding US exports into Algeria, predominantly of feed grains, corn and wheat. Utilization has been about 50 percent for the past couple years, substantially greater than in other North African countries. Utilization of the $100 million program allocation for FY 2004 has been low, but the $10 million introductory allocation for the Supplier Credit Program is at 80 percent utilization.

PSD Table

Country Algeria

Commodity Wheat (1000 HA)(1000 MT)

	2002 USDA Official [Old]	Revised Post Estimate [New]	2003 USDA Official [Old]	Estimate Post Estimate [New]	2004 USDA Official [Old]	Forecast Post Estimate [New]	UOM
Market Year Begin		07/2002		07/2003		07/2004	MM/YYYY
Area Harvested	1400	1400	2200	2760	0	2760	(1000 HA)
Beginning Stocks	1781	1781	2430	1483	2280	1153	(1000 MT)
Production	1120	1502	3200	2970	0	2900	(1000 MT)
TOTAL Mkt. Yr. Imports	6079	4800	3300	3300	0	3100	(1000 MT)
Jul-Jun Imports	6079	4800	3300	3500	0	3100	(1000 MT)
Jul-Jun Import U.S.	180	180	0	180	0	180	(1000 MT)
TOTAL SUPPLY	8980	8083	8930	7753	2280	7153	(1000 MT)
TOTAL Mkt. Yr. Exports	0	0	0	0	0	0	(1000 MT)
Jul-Jun Exports	0	0	0	0	0	0	(1000 MT)
Feed Dom. Consumption	50	50	50	30	0	30	(1000 MT)
TOTAL Dom. Consumption	6550	6600	6650	6600	0	6600	(1000 MT)
Ending Stocks	2430	1483	2280	1153	0	553	(1000 MT)
TOTAL DISTRIBUTION	8980	8083	8930	7753	0	7153	(1000 MT)

Import Trade Matrix

Country Algeria

Commodity Wheat

Time Period	Jul-Jun	Units:	1000 MT
Imports for:	2002		**2003**
U.S.	180	U.S.	
Others		Others	
France	1410		
Germany	264		
Canada	652		
Spain	220		
Russia	549		
Ukrain	108		
Mexico	222		
Syria	347		
Bulgaria	193		
Italy	72		
Total for Others	4037		0
Others not Listed	583		
Grand Total	4800		0

PSD Table

Country Algeria

Commodity Barley

(1000 HA)(1000 MT)

	2002 USDA Official [Old]	Revised Post Estimate [New]	2003 USDA Official [Old]	Estimate Post Estimate [New]	2004 USDA Official [Old]	Forecast Post Estimate [New]	UOM
Market Year Begin		07/2002		07/2003		07/2004	MM/YYYY
Area Harvested	400	401	800	1176	0	964	(1000 HA)
Beginning Stocks	346	346	283	152	693	692	(1000 MT)
Production	358	416	1100	1220	0	1000	(1000 MT)
TOTAL Mkt. Yr. Imports	279	90	10	70	0	50	(1000 MT)
Oct-Sep Imports	46	90	10	70	0	50	(1000 MT)
Oct-Sep Import U.S.	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	983	852	1393	1442	693	1742	(1000 MT)
TOTAL Mkt. Yr. Exports	0	0	0	0	0	0	(1000 MT)
Oct-Sep Exports	0	0	0	0	0	0	(1000 MT)
Feed Dom. Consumption	550	600	550	650	0	680	(1000 MT)
TOTAL Dom. Consumption	700	700	700	750	0	750	(1000 MT)
Ending Stocks	283	152	693	692	0	992	(1000 MT)
TOTAL DISTRIBUTION	983	852	1393	1442	0	1742	(1000 MT)

Commodity Barley

Time Period	Jul-Jun	Units:	1000 MT
Imports for:	2002		**2003**
U.S.	0	U.S.	
Others		Others	
Russia	43		
Syria	43		
Ukrain	2		
Spain	2		
Total for Others	90		0
Others not Listed	0		
Grand Total	90		0